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April 17, 2001

VIA HAND DELIVERY

William F. Barton, Assistant Director
New York State Department of State
Division of Coastal Resources &
Waterfront Revitalization
41 State Street
Albany, New York 12231-0001

RE: Millennium Pipeline Company, L.P.
Docket No. CP98-150-000
F-2001-0246 (formerly F-98-0173)

Dear Mr. Barton:

We are writing in response to your letter of April 5, 2001, and to report on recent developments concerning the route alignment in Westchester County.

Initially, we thank you for your letter of April 5, 2001 concerning the Millennium Project. We very much appreciate the determination by the Department of State ("DOS") that it has sufficient information to address all relevant coastal concerns and has commenced its review of the Millennium Project.

Also, we are pleased to report that in response to paragraph 6.1.2 of the Supplemental Draft Environmental Impact Statement ("SDEIS") issued by the Federal Energy Regulatory Commission on March 8, 2001, the Public Service Commission of the State of New York ("PSCNY") and Millennium Pipeline Company, L.P. ("Millennium") have entered into a Supplemental Memorandum of Understanding ("Supplemental MOU") regarding the pipeline route in Westchester County. A copy of the Supplemental MOU is enclosed.

The Supplemental MOU authorizes the pipeline to be routed in northern Westchester County away from Routes 9 and 9A and along

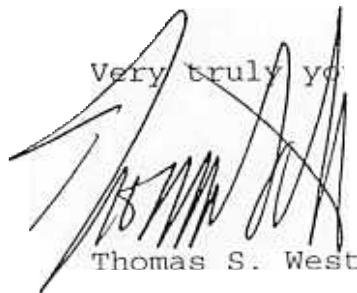
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the edge of the Con-Ed powerline. The SDEIS determined that this route would be a viable option if the original Memorandum of Understanding between Millennium and the PSCNY was amended to include that route. The enclosed Supplemental MOU accomplishes that goal. As a result of the Supplemental MOU, both Millennium and the PSCNY support this compromise route. The route is depicted on the map that is Attachment A to the Supplemental MOU.

Given the Supplemental MOU with the PSCNY and the conformance of the Supplemental MOU with the FERC's position in the SDEIS, any issues that arose with respect to the Village of Croton-on-Hudson and the Village of Croton-on-Hudson's Local Waterfront Revitalization Program ("LWRP") are now moot and do not require review by the DOS.

On the basis of the foregoing, Millennium respectfully requests that you proceed with final decision-making concerning the Millennium Project. Our request for final decision-making is subject to the understanding stated in your letter dated April 5, 2001, "that should Millennium's project be significantly changed as a result of the federal environmental review process, a new consistency review may be necessary." Millennium concurs with that procedure.

Thank you for your ongoing attention to the Millennium Project. Should any questions arise as you complete your review, please feel free to call. As always, we remain available to discuss the Millennium Project with you.

Very truly yours

Thomas S. West

pag/69466

cc: James P. King, Esq. (with enclosures)
Millennium Pipeline Company, L.P.
Lawler, Matusky and Skelly Engineers, LLP